



UNIVERSITY OF JOHANNESBURG
FACULTY OF EDUCATION
AEGROTAT AND SUPPLEMENTARY EXAMINATION
JULY / AUGUST 2014

PROGRAMME: B.Ed
MODULE: Economics and Management Sciences for Teachers 3B
CODE: EMT3A10
TIME: 3 Hours
MARKS: 150
EXAMINER: Dr. M. Bounds
MODERATOR: Mr. M. Kara
(This paper consists of 10 pages)

INSTRUCTIONS:

1. This is a closed-book assessment.
2. Question papers must be handed in together with your answer books.
3. Read the questions carefully and answer only what is asked.
4. Answer all the questions.
5. Make use of applicable examples to support your answers.
6. Number your answers clearly.
7. Structure your answers by using appropriate headings and subheadings.
8. The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

Read the case study and answer Question 1 by referring to the case study.

The Consumer

South Africans are in for a uncomfortable year as the cost of living soars to unprecedented levels. The official inflation rate may be below 6% - but the prices of food, petrol, electricity and municipality rates have increased dramatically, according to a survey conducted by the Sunday times. Inflation figures are the base on which employers determine salary increases – which means that employees are actually getting poorer each year as their costs outweigh their salary increases.

Electricity costs have gone up by a staggering 58% over two years, while the price of petrol has risen 36% in the same period – with an increase of 12% in the past year. Petrol cost R6.62/L in February 2009, R8,41/L last year and now a litre will cost you R8.99. In addition, school and university fees increased by an average 10% a year, while medical costs went up 8% just below the 10% last year.

The prices of food and basic household goods have also hit cash-strapped South Africans, with, for example, bread prices going up 24% over the past year and 61% over the past three years. Taking average prices across the four major retail chains – Checkers, Spar, Woolworths and Pick n' Pay – the survey found that a 2L bottle of coke, currently retailing at between R14,29 and R14,99, costs between 17% and 18% more than two years ago. Consumers are also paying 30% more for coffee than two years ago, while the prices of chicken, meat and fish have increased by well over the inflation rate.

Municipal revenue has also increased by 72.2% over the past two years, underlining the staggering increase in the costs of basic services. Now economists and analysts are warning South Africans to tighten their belts and start managing their debt as they come under financial strain.

[Adapted: Sunday Times, February 13, 2011]

QUESTION 1

[Marks: 20]

- 1.1 “The unemployment rate is an imperfect measure of unemployment because it does not (1) include workers whose job prospects are so poor that they are discouraged from seeking jobs, or (2) reflect part-time workers who are looking for full-time work”

Critically discuss this statement by making specific reference to the definition and types of unemployment AND productivity. (10)

- 1.2 Discuss knowledge management process. (10)

QUESTION 2**[Marks: 52]**

“ Public opinion or image which exists in the external environment among shareholders, consumers, investors, suppliers, government institutions, and various other audiences (‘publics’) or external groups as well as employees will ultimately have an effect on the profitability of the enterprise.”

- 2.1 Critically discuss this in relation to the four steps in the planning of public relations. (12)
- 2.2 Who are the stakeholders of the company? (4)
- 2.3 What are the reasons for “creating a positive image”. (6)
- 2.4 Discuss the four management tasks that should be applied when planning a public relations campaign? (14)
- 2.5 Briefly identify and explain the components of the communication model from the aspect of public relations management. (16)

QUESTION 3**[Marks: 28]**

- 3.1 What do you understand by Corporate Social Responsibility (CSR)? (8)
- 3.2 Who is supposed to benefit from CSR activity? (8)
- 3.3 List at three “harmful” practices some businesses engage in. How does CSR intend to remedy these practices? (12)

QUESTION 4**[Marks: 50]****YOU ARE REQUIRED TO :**

- Prepare Bongani CC Statement of comprehensive income for the year ended 29 February 2013
- Prepare Bongani CC Statement of changes in equity
- Prepare Bongani CC Statement of financial position.

The following information was extracted from the books of, Bongani CC a close corporation, as at 29 February 2013:

	R
Land and buildings at cost	3 375 000
Plant and machinery at cost	1 200 000
Office equipment at cost	93 750
Depreciation: Plant and machinery	727 500
Office equipment	46 875
Sales	8 437 500
Purchase	4 312 500
Stock at 1 March 2012	750 000
Wages	1 050 000
Rent received	100 000
Electricity and water	75 000
Repairs to machinery	33 750
Discounts received	22 500
Telephone	28 125
Advertising	153 750
Interest on loan	67 500
Trade payables	731 250
Trade receivables	240 000
Bank	215 625
Drawings	600 000
Long term loan	562 500
Capital	2 812 500

Additional information:

1. Stock on hand 29 February 2013 R843 750.
2. A debtor who owned R2 500 was insolvent and his debt must be written off.

QUESTION 4: ANSWER SHEET

Student no:

[illegible]

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[illegible]

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[illegible]